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Foreign CROPS AND MARKETS

VOLUME 62 NUMBER 6

FOR RELEASE

MONDAY

FEBRUARY 5, 1951

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U.S. DEPARTMENT OF AGRICULTURE

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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D.C.

LATE NEWS

The French Government announced its decision on January 22, 1951, to prohibit exports of veal and to suspend 40 percent customs duties on pork imports to allow limited importation of hogs and pork, after meat prices reached a high level in mid-January. Protests by producers, however, have delayed implementation of this plan.

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The Government of India has decided that no further sales of groundnut oil (peanut oil) and H.P.S. (hand picked select) groundnuts (peanuts) should be registered by export licensing authorities at Bombay, Calcutta and Madras, according to a press statement issued by the Ministry of Commerce January 8, 1951. It made this decision after reviewing the position regarding exports of peanuts and peanut oil in the light of the shipments which already have taken place and the quantities registered for shipment in the coming months.

Registration of a sale commitment with the export licensing authorities is a preliminary step to obtaining an export license. In effect, therefore, the trade has been notified that additional applications for export licenses will not be considered until further notice.

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FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U. S. Department of Agriculture, Washington 25, D. C.

INTERNATIONAL TRADE IN LENTILS FAR BELOW PREWAR 1/

International trade in lentils in the last few years has been at about one-third the prewar volume, according to available reports. In the calendar year 1949 aggregate trade for 19 fully reported countries and 26 partially reported countries (45 in all) amounted to about 1.1 million bags. This compares with 1.3 million bags in 1948 and 2.9 million bags average annually in the prewar years 1935-39.

The bulk of this trade was done by the 19 reporting countries for which trade in 1949 was about 870,000 bags, compared with 2.4 million bags average annually prewar. Trade of the 26 countries considered in this summary was not reported by them but appeared in the trade statistics of the 19 countries, as it originated in or arrived at one or more of the 19 reporting countries.

The 2 largest trading countries which have not reported, but part of whose trade appears in the statistics of the 19 countries are the Soviet Union and India. In the prewar years 1935-39 Belgium, France, Germany and the United Kingdom declared receiving an average aggregate of 1.1 million bags of exports from these non-reporting countries. None of the 19 countries reports any trade whatsoever with either the Soviet Union or India in 1948 and 1949. This cessation alone accounts for 1.1 million bags of the total indicated trade decline of all 45 countries since prewar. The total decline for all countries was 1.8 million bags.

There have been declines in other major countries also. Chile reported total exports of 735,000 bags annually before the war and only 527,000 bags in 1948 and 309,000 in 1949. Syria-Lebanon reported 426,000 bags before the war and 144,000 bags in 1948 and 234,000 in 1949.

Sharp declines of trade, also occurred in many of the importing countries. Germany, for example, imported an average of 878,000 bags annually before the war. This dropped (for the Bizone only) to 26,000 bags in 1948 and to 240,000 bags in 1949. Trade data are not available for other zones of Germany, but France, the United Kingdom, Belgium and several other importing countries reported declines similar in extent to these in Germany.

On the whole the international lentil trade has declined more percentage-wise than the trade of any of the other pulse crops for which trade has been analyzed recently. These include the international trade of beans, peas and chickpeas. 2/

1/ This summary, enlarged to include 2 additional tables showing the trade of the 19 reporting countries by country of origin and destination for 1949, 1948 and 1935-39, will be published soon as a Foreign Agricultural Circular by the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C. 2/ For trade in beans see Foreign Crops and Markets - August 7, 1950; for trade in chickpeas see Foreign Crops and Markets - October 9, 1950; and for trade in peas see Foreign Crops and Markets - January 1, 1951.

TABLE I. LENTILS: International trade of 19 reporting countries, average 1935-39, annual 1948 and 1949

Bags of 100 pounds

Country	Average 1935-39		1948		1949	
	Imports	Exports	Imports	Exports	Imports	Exports
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
Importing Countries						
Anglo Egyptian Sudan	11	-	18	-	12	-
Belgium	365	254	16	1	9	2
Cuba	1/	-	6	-	5	-
France	480	28	478	15	274	76
Germany	878	-	26	-	240	-
Greece	24	-	90	-	55	-
Palestine	18	8	2/	-	6	-
Spain	15	9	9	3/	-	-
United Kingdom 4/	453	-	189	-	183	-
United States 4/	85	-	54	-	79	-
Czechoslovakia	62	1	-	-	-	-
Exporting Countries						
Argentina	42	5	0	24	0	44
Chile	-	735	-	527	-	309
Morocco	10	67	-	10	-	58
Syria and Lebanon	-	426	-	144	-	234
Turkey	-	40	-	309	-	148
Bulgaria	-	3	-	-	-	-
Hungary	-	93	-	-	-	-
Rumania	-	87	-	-	-	-
Total Table I	2,443	1,756	886	1,030	863	871
Total Table II	103	1,149	162	230	84	241
Grand total	2,546	2,905	1,048	1,260	947	1,112

1/ Not separately classified prior to 1948. 2/ Not separately classified in 1948. 3/ Less than 500. 4/ Imports for consumption only. Imports for reexport and reexports excluded.

TABLE II. LENTILS: Part of the international trade of non-reporting countries; average 1935-39 and annual 1948 and 1949 as declared by the 19 reporting countries of table I

Bags of 100 pounds

Country	Average 1935-39		1948		1949	
	Imports	Exports	Imports	Exports	Imports	Exports
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
Algeria	34	8	5	197	4	199
Austria	23	-	-	-	-	-
Bolivia	-	-	4	-	-	-
Brazil	-	16	6	-	10	-
Ceylon	-	-	58	-	2	-
Colombia	-	-	17	-	-	-
Cyprus	-	-	6	-	-	-
Egypt	-	3	-	18	-	12
French Colonies	2	-	-	-	-	-
Guadeloupe	-	-	3	-	11	-
Hungary	-	-	-	-	-	21
India	-	221	-	-	-	-
Iran	-	-	-	-	4	-
Iraq	-	-	11	-	-	-
Italy	15	11	2	9	-	9
Martinique	-	-	4	-	7	-
Mexico	-	-	4	-	-	-
Netherlands	11	13	-	-	7	-
New Zealand	-	-	1	-	-	-
Panama	3	-	10	-	9	-
Peru	2	-	8	-	-	-
Sweden	-	-	-	6	-	-
Switzerland	11	-	-	-	26	-
Tunisia	2	-	-	-	-	-
Uruguay	-	-	23	-	4	-
U.S.S.R.	-	877	-	-	-	-
Total	103	1,149	162	230	84	241

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers and other information. Averages are for years stated or for nearest comparable period.

COMMODITY DEVELOPMENTS

TOBACCO

AUSTRALIA'S TOBACCO PRODUCTION REVISED DOWNWARD

Australia's 1950-51 tobacco crop is now preliminarily estimated at about 3.8 million pounds from 5,170 acres as compared to an earlier forecast of 4.6 million pounds from 4,694 acres. The downward revision was necessary because of the abnormally heavy rainfall during the seeding and transplanting season. Several attacks of "blue mold" resulted from too much rain in Queensland, New South Wales, and Victoria, necessitating the plowing up and replanting of many acres. A revised estimate places Australia's 1949-50 total leaf crop at 4.1 million pounds from 4,561 acres.

AUSTRALIA: Tobacco Acreage and Production
1950-51 with comparisons

State	Acreage		Production	
	1949-50	1950-51	1949-50	1950-51 1/
	Acres	Acres	Pounds	Pounds
New South Wales	327	320	298,928	280,000
Victoria	896	800	663,000	425,000
Queensland	2,677	3,100	2,539,592	2,400,000
Western Australia	661	950	630,784	750,000
Total	4,561	5,170	4,132,304	3,855,000

1/ Preliminary

Official and U.S. Foreign Service reports.

MEXICO'S FLUE-CURED PRODUCTION LOWER; LEAF EXPORTS AND IMPORTS HIGHER

Mexico's 1950-51 flue-cured harvest is estimated at 20 percent below 1949-50 according to the American Embassy, Mexico City. Exports of unmanufactured tobacco during the first 11 months (January-November) 1950 were more than treble the total during the 1949 calendar year. Imports of unmanufactured tobacco during January-November 1950 were 53 percent above the total 1949 calendar year.

The 1950-51 flue-cured leaf production is estimated at 3.7 million pounds as compared to 4.6 million pounds in 1949-50. However, flue-cured represents less than 7 percent of the estimated 1950-51 tobacco production of 55.1 million pounds. Other types grown in Mexico are native leaf, dark leaf and Burley.

The country's foreign trade in tobacco has been comparatively small in past years because of the self-sufficient nature of the domestic market. However, during the first 11 months (January-November) 1950 a total of 547,402 pounds of unmanufactured tobacco was exported. During the 1949 calendar year only 158,731 pounds of leaf was shipped out of the country.

Imports of unmanufactured tobacco during the January-November 1950 period totaled 2,648,165 pounds as compared to 1,732,815 pounds in the calendar year 1949.

ONTARIO'S FLUE-CURED ACREAGE AND PRODUCTION INCREASED

Ontario's Flue-Cured Marketing Association agreed, at a meeting held January 16, 1951, to allow members of the association to grow their full base acreage during 1951, according to the American Embassy, Ottawa. However, the Directors did not specify that members could only grow the base acreage thereby apparently instituting practically an open flue-cured acreage policy in Ontario for 1951.

The current base flue-cured acreage is approximately 109,000 acres. In 1950 growers were allowed to plant only 83 percent of the base acreage to flue-cured leaf which produced about 98 million pounds. The 1951 acreage policy is reportedly based upon an anticipated demand including both domestic and export for 130.0 million pounds flue-cured leaf.

CUBAN TOBACCO STABILIZATION FUND ORDERS EXCEED SURPLUS SUPPLY

The Cuban Tobacco Stabilization Fund, an official and antonomous agency for stabilizing prices, has orders for leaf tobacco in excess of its current surplus leaf stocks, according to a statement published in the Havana press January 19, 1951 and confirmed by usually reliable sources. J.L. Martinez, American Embassy, Havana, reports that the orders totaled over 13 million pounds to be exported through local private concerns to Western Germany, the Netherlands, the United States, and Spain in that quantitative order. Western Germany reportedly has offered cement and construction rods in exchange for Cuban leaf. The Fund's total 1949-50 crop leaf turnover is not yet known.

COTTON AND OTHER FIBER

COTTON-PRICE QUOTATIONS ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U.S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date 1951	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound: Spot quotation	Equivalent U.S. cents per pound: Export and intermediate taxes
Alexandria		Kantar				
Ashmouni, Good	2-1	99.05 lbs.	Tallari	136.35	79.03	10.42
Ashmouni, FGF	"	"	"	118.35	68.60	10.42
Karnak, Good	"	"	"	166.15	96.31	10.42
Karnak, FGF	"	"	"	155.15	89.93	10.42
Bombay		Candy				
Jarila, Fine	2-1	784 lbs.	Rupee	1/ 770.00	20.50	21.30
Broach Vijay, Fine	"	"	"	1/ 840.00	22.36	21.30
Karachi		Maund				
4F Punjab, SG, Fine	1-31	82.28 lbs.	"	113.12	41.48	23.09
289F Sind, SG, Fine	"	"	"	121.80	44.66	23.09
289F Punjab, SG, Fine	"	"	"	127.00	46.56	23.09
Buenos Aires		Metric ton				
Type B	2-1	2204.6 lbs.	Peso	4550.00	41.28	3.99
Lima		Sp. quintal				
Tanguis, Type 3-1/2	1-30	101.4 lbs.	Sol	2/ 712.00	46.96	31.16
Tanguis, Type 5	"	"	"	(not available)		
Pima, Type 1	"	"	"	3/ 850.00	56.06	39.11
Recife		Arroba				
Mata, Type 4	2-1	33.07 lbs.	Cruzeiro	420.00	69.10	2.4% ad valorem
Sertao, Type 5	"	"	"	(not available)		
Sertao, Type 4	"	"	"	430.00	70.74	"
Sao Paulo						
Sao Paulo, Type 5	2-1	"	"	435.00	71.57	3.0% ad valorem
Torreon		Sp. quintal				
Middling, 15/16"	2-1	101.4 lbs.	Peso	465.00	53.02	7.81
Houston-Galveston-New Orleans av. Mid. 15/16"	4/ 1-26	Pound	Cent	XXXXX	44.17	----

Quotations of foreign markets and taxes reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Ceiling price.
2/ Nominal for May-June delivery.
3/ For July-August delivery.
4/ Market closed since January 26.

VENEZUELAN GOVERNMENT STIMULATES
COTTON PRODUCTION

The small cotton crop now being harvested in Venezuela has prompted the Government of the country to stimulate increased cultivation of cotton in 1951-52. The present program of the Ministry of Agriculture has as its objective a crop of about 60,000 acres. With normal yields a harvest of around 20,000 bales of 500 pounds might be expected. This rate of production should insure a supply almost sufficient to cover annual requirements of local spinners.

VENEZUELA: Cotton acreage and production, 1948-49 through 1951-52

Crop year	Acreage	Production
	1,000 acres	1,000 bales 1/
1948-49	50	13.1
1949-50	40	5.6
1950-51	30	5.2
1951-52	2/ 60	20.0

1/ 500 pounds gross. 2/ Government goal.

Production decreased in 1949-50 and 1950-51 to less than half of the previous season's crop. Probably the most important factor in this large decline in 1949 was the appearance for the first time of the boll weevil. The fear of possible future damage from weevils plus the high cost of controlling the insect tended to cause the growers to turn to other crops. For this reason, production continues around 5,000 bales this year.

Steps have been taken to lessen the damage done by the weevils. An active campaign was begun in 1950 to eliminate wild cotton plants over most of the cotton belt, and fumigation of all seed intended for planting was required. In addition, dusting was carried on extensively. These control measures have been costly, some growers being compelled to dust their fields 14 times. The Government assisted the planters by meeting one-third of the cost of the insecticide for the first 2 applications and the entire cost for all subsequent dustings until very

late in the season when this assistance was discontinued. As a part of the government's expansion program for the coming crop year a large sum will be expended on pest control, and the use of airplanes for the application of insecticides will be increased. Government aid in covering the cost of insecticides to be used by growers this year is expected.

Cotton consumption in Venezuela declined from a peak level of 26,000 bales in 1947 to 24,000 in 1948, and to 18,000 in 1949. In the first half of 1950 the annual rate was only about 12,500 bales. Thus, 1949 consumption was only 77 percent of the previous season and in the first half of 1950 the rate dropped to 52 percent of the 1948 level. This decline is attributed largely to increased competition from locally produced rayon and to some extent from imported cotton goods. Some of the mills that handled both cotton and rayon have converted to rayon entirely. Moreover, rayon weaving and finishing machinery on the whole is newer and more efficient than is the case with cotton mills. There is a minimum cotton requirement, however, below which consumption will not fall. The military services are cotton-clothed and blanketed and by far the majority of civilian males are cotton-clothed. The largest shift in wearing apparel appears to be in the use of rayon in women's clothing in preference to cotton. There is no reason to believe that the demand for local cotton textiles will be any greater in 1951 than in 1950 except for the possible effect of a normal increase in population or reduction in imports of cotton textiles or rayon yarns.

Prices for cotton in Venezuela were set at the levels shown in the accompanying table during the first few days of January. The agreement establishing these prices is not retroactive and does not apply to contracts already made.

VENEZUELA: Cotton prices established in January 1951

Type of cotton	Lint cotton		Seed cotton	
	Bolivares per kilogram	U.S. cents per pound	Bolivares per kilogram	U.S. cents per pound
Type A.....	3.913	53.4	1.37	18.7
Type B.....	3.60	49.0	1.26	17.2
Type C.....	3.33	45.4	1.155	15.7

Costs of production have risen, especially with the pest control measures which are necessary. Government aid has made this cost less for the grower than was at first expected. However, it is believed that the favorable cotton prices received during the past year should be a strong factor in increasing cotton production in 1951-52.

Even with government assistance in pest control and a relatively high fixed price, production is not expected to reach the goal that has been established. With consumption declining, however, there is a possibility that Venezuela's raw cotton requirements can be met through increased local production after 1951.--By John E. Manger, based on reports by James H. Kempton, Agricultural Attache, American Embassy, Caracas.

CANARY ISLANDS COTTON PRODUCTION RISES

Cultivation of cotton in the Canary Islands has expanded in recent years, according to William B. Snidow, American Vice Consul, Tenerife. Production increased from slightly more than 500 bales in 1949 to about 2,300 bales in 1950. The area planted to cotton in 1950 was estimated at 5,200 acres.

At present, production centers in the south of the Island of Tenerife on land heretofore uncultivated. Irrigation water has been a problem, however, but an aqueduct is now being constructed to bring it from the mountainous region to the cotton area. This will provide a considerably larger water supply.

The Government has guaranteed the producers a price of 16 pesetas per kilogram (about 66 U.S. cents per pound) for their crop. There are no gins on the Islands and all cotton produced has been sent to Spain for ginning. Plans for construction of a gin near the cotton fields, however, have been announced.

The rate of expansion in this area may be limited by an unidentified disease for which no control measures have been found. Cotton must also compete with the other crops available for export such as tomatoes, bananas, and onions. The Islands are relatively small and the terrain is broken and mountainous, interspersed with high plateaus and fertile valleys. The limited area is probably the most important factor that will determine the size of future cotton crops in the Canary Islands.

SALVADORAN COTTON PRODUCTION CONTINUES TO INCREASE

The acreage planted to cotton in El Salvador for the 1950-51 season was the largest on record, according to J. A. Silberstein, Second Secretary and Vice Consul, American Embassy, San Salvador. Total planting was probably as high as 50,000 acres, exceeding the record 37,500 acres planted in 1949-50. A new peak will be reached also in production which is estimated at 37,500 bales from the current harvest, almost 8,000 bales above the 1949-50 crop. The present crop is composed entirely of American Upland varieties with yields averaging about 375 pounds of lint per acre.

In recent years the consumption of cotton by the Salvadoran textile mills has tended to remain relatively stable, averaging about 12,000 bales annually. As a result, expanded production has been pushing Salvadoran cotton more and more into export channels. Cotton is now El Salvador's most important export commodity, after coffee. In the past, neighboring Central American countries, Guatemala in particular, have been the largest purchasers of Salvadoran cotton. During the first 9 months of 1950, however, more than half of the total exports went to the United Kingdom, with smaller amounts going to Belgium and the Netherlands. In addition, the Cotton Growers' Cooperative, which markets all of the cotton grown in El Salvador, has closed several contracts with Sweden and Switzerland. Thus it appears that new European markets are opening to Salvadoran cotton. This is partly due to the Cooperative's successful efforts in improving and maintaining the quality of the cotton and partly due to the present world shortage of cotton. Domestic prices are set each year by the Cooperative. It has maintained the same price scale, based on approximately 34 cents per pound for middling, ever since the 1946-47 crop. Prices in the export contracts were below the domestic level in the early part of 1950 but rose to between 48 and 60 cents per pound near the end of the year.

All cotton acreage in El Salvador must be registered with the Ministry of Agriculture, and only members of the Cooperative may do so. At present, however, obtaining membership in the Cooperative is simply a matter of applying and no restrictions exist on the amount of acreage that may be registered for cotton cultivation. In a country the size of El Salvador, with its extremely limited land resources, the expansion of one crop is usually accomplished at the expense of another. If it becomes evident that the recent expansion in cotton acreage has occurred at the expense of needed food crops the Government may find it necessary to force a cut-back in land planted to cotton or, at least, to impose a limitation on further expansion. However, as long as the Government permits unrestricted cultivation of cotton and the current favorable world prices prevail, the rapid expansion of Salvadoran cotton cultivation can be expected to continue.

El Salvador: Supply and distribution of cotton
1949-50

Supply	Bales of 480 pounds net weight
Stocks on August 1, 1949	3,000
Production	30,000
Total supply	33,000
Distribution	
Consumption - mills	12,000
Exports	14,000
Stocks on July 31, 1950	7,000
Total distribution	33,000

COTTON PRODUCTION CONTINUES
UPWARD IN NICARAGUA

Rapid expansion in the production and exportation of cotton has been the highlight of Nicaraguan agricultural activities during the past 2 years, according to J.P. Rourk, Assistant Agricultural Attache, American Embassy, Nicaragua. From the 1948-49 crop of 6,000 bales (of 500 pounds)production jumped to 20,000 bales in 1949-50. This trend has continued with the result the crop now being harvested is estimated at 28,000 bales. This is an increase of 40 percent over the 1949-50 production and 233 percent above the crop of 1948-49. The area planted to cotton rose from 8,000 acres in 1948-49 to 37,000 acres the following season and is now estimated at a record level of 50,000 acres. Yield in 1949-50 averaged around 258 pounds of lint cotton per acre.

Several factors were responsible for this expansion. The relatively high world prices prevailing since the war stimulated interest but the most important single factor was the decline in the price of vegetable oils which occurred in early 1949. The immediate result was a sharp cutback in the acreage planted to sesame. Since cotton could be grown on the lands formerly planted to sesame, it was easy to change from the latter to the former.

An expected increase in domestic mill consumption failed to materialize in 1949-50. Consumption has averaged around 3,500 bales for the past 2 seasons. There have been no imports of raw cotton and domestic mills have been filling their needs entirely with local cotton.

Cotton exports have increased to the point where cotton now holds second place in the country's agricultural export trade. The United Kingdom and Belgium received the bulk of Nicaraguan cotton exports during the first 4 months of 1950, the latest period for which figures are available. Exports during the calendar year 1949 totaled 1,672 bales, but during the first 9 months of 1950 a total of around 14,000 bales was exported. With the larger crop now being harvested it is expected that exports will continue at this high level or rise higher. The quality of the cotton shipped is said to be mostly Strict Low Middling or Middling, with a staple of 1 to 1-1/16 inches. The export price for the 1949 - 50 crop ranged from about 27.5 to 32 U.S. cents a pound.

FATS AND OILS

URUGUAY'S FLAXSEED, SUNFLOWER SEED CROP PROSPECTS GOOD

Present prospects are that Uruguay's 1950-51 flaxseed and sunflower seed crops will exceed last season's, according to Dale E. Farringer, Agricultural Attache, American Embassy, Montevideo. Better-than-normal yields are recorded for the flaxseed crop. The adverse effects of dry weather, which prevailed in some areas, was offset by beneficial showers in recent weeks. Yields of around 16 bushels per acre were reported on several farms northwest of Montevideo where crop conditions have been particularly favorable. Average yields for the entire country, however, probably will be about 9.6 bushels per planted acre. Considering the total area planted to flaxseed-first estimate is 410,000 acres- a crop of approximately 3.9 million bushels can be expected. This would be about 34 percent larger than the 2.9 million bushels harvested from 395,000 acres last year.

Movement of the current flaxseed harvest into trade channels is slow. Growers are withholding flaxseed from the market in anticipation of price increases. Such speculation is based upon the possibilities that (1) foreign demand will increase owing to the Korean War, (2) flaxseed prices will tend to rise to unprecedented high levels as did wool prices, and (3) the Uruguayan Government may establish prices for flaxseed (suggested rate: 30 pesos per 100 kilograms or $5.04 per bushel). The free market purchase price on January 5, 1951, was 23.50 to 24.00 pesos per 100 kilograms ($3.95 to $4.04 per bushel).

Flaxseed stocks from the 1949-50 crop are reported to have been liquidated with the exception of small quantities of seed (probably not in excess of 118,000 bushels) in exporters' warehouses pending shipment. No stocks of linseed oil are reported on hand.

More farmers than usual are planting a late sunflower crop in view of favorable growing conditions and good prices (average of 24.65 pesos per 100 kilograms or $126 per short ton placed in Montevideo for last season's crop). Although the size of the total plantings, early and late, cannot be ascertained at this time, it is generally believed that the area will exceed the 203,400 acres sown last year--principally accounted for by sowings on wheat lands since the end of December.

In order to move the carry-over from the last sunflower crop, the Uruguayan Government in early November announced a subsidy of .32 pesos per kilogram (6.18 cents per pound) for edible oil exports and raised the official exchange rate to 2.35 pesos per dollar in order to bring Uruguayan domestic prices into line with then prevailing world prices. Exports under this rate were to be made before February 28, 1951. Currently, no stocks of sunflower seed or oil from last year's crop are reported available for export.

Exports of Uruguayan linseed oil improved during the last half of 1950, reportedly due to (1) increased foreign demand, and (2) the Uruguayan Government's policy of subsidizing linseed oil exports since August 1, 1950 (see Foreign Crops and Markets, September 18, 1950). The Government, through its agent the Bank of the Republic, still follows the previously-announced policy that for each ton of oil exported shippers shall be permitted to export 1.5 tons of flaxseed.

Linseed oil exports during January-November 1950 totaled 22,218 tons against 56,250 tons in the comparable period of 1949. The principal shipments were as follows, with comparable 1949 shipments in parentheses: United Kingdom 9,449 tons (12,424), Australia 4,936 (none), Germany 2,653 (39,320), South Africa 1,925 (39), Ireland 1,576 (1,153), and Japan 1,267 (1,105). January-November flaxseed exports amounted to only 19,251 bushels against 708,110 in the same months of 1949. Exports of linseed cake during the 11-month period totaled 6,768 tons compared with 18,494 in 1949. Sunflower seed oil exports (11 months) amounted to 1,839 tons against 7,800 in 1949 (11 months) and sunflower cake 11,836 tons (13,127 in 1949). 1/

1/ Figures reported here are from a trade publication based on ships' manifests, and differ materially from official figures published frequently by this Office.

BRAZIL'S BABASSU OIL INTERESTS SEEK ACTION ON OCEAN FREIGHT RATES

Representatives of the Brazilian babassu oil interests believe their industry is handicapped seriously by the prevailing schedule of maritime freight rates. They contend the rates discriminate against the babassu oil industry.

A report of one of the recent meetings of the Commission for Subjects Related to Foreign Trade of the Rio de Janeiro Commercial Association indicated that the disparity between freight rates for peanuts and babassu oil was as much as 84 percent.

The Commission has recommended that steps be taken to correct the situation by eliminating this disparity or reducing it as far as possible. Specifically, the Commission has suggested working through the Brazilian trade representatives attending the current sessions of the General Agreement on Tariffs and Trade (GATT) at Torquay, England. Among additional recommendations was the suggestion that the United States Department of State be requested to approach the navigation companies concerned regarding the possibility of a rate reduction.

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On the basis of information available to the Office of Foreign Agricultural Relations, it is understood that the maritime freight-rate problem became an acute one to the Brazilian babassu oil industry in late 1949. In October of that year the rate on babassu kernels to United States Atlantic ports--formerly $25 per metric ton ($22.68 per short ton), including $6 per ton ($5.44 per short ton) loading charges for account of carriers--was reduced by $6 per metric ton ($5.44 per short ton). At the same time the freight rate on oil was held at $33 per metric ton ($29.94 per short ton), plus loading charges of $8 ($7.26 per short ton) for the account of shippers. Although efforts were made to reduce the rate on oil, they were not successful.

The new rate, therefore, favored the export of babassu kernels. Consequently, according to claims, some Brazilian crushers virtually were forced to close down. After appealing to the Brazilian Government, babassu oil was placed under barter. As a consequence the price of kernels rose, though the price of babassu oil to a United States importer remained unchanged. Finally, it was agreed to reduce the rate on babassu oil by $5 per metric ton ($4.54 per short ton). The babassu oil interests contend, however, that the decrease was not sufficient to re-establish the previous relationship between the oil and kernel rates.

(Continued on Page 139)

TROPICAL PRODUCTS

FORECAST OF NICARAGUA'S 1950-51 COFFEE CROP REVISED SLIGHTLY DOWNWARD

Present indications are that Nicaragua's 1950-51 coffee crop will provide only about 210,000 bags of coffee for export instead of 230,000 bags as forecast earlier, according to J.P. Rourk, American Embassy, Managua. This is considerably lower than the record output of 345,000 bags in 1949-50, but it is an average coffee crop for Nicaragua. The 1948-49 crop amounted to only about 110,000 bags for export. The poor crop in 1948-49 resulted from extremely bag weather, and it was followed by the best crop in Nicaragua's history.

It is estimated that the 1949-50 crop sold for about $17 million compared with only around $4.4 million for the 1948-49 crop. The increase is attributable to the larger crop and much higher coffee prices in 1949-50.

A new export tax was levied on coffee in October 1950. The new law called for a tax of 3 cents a pound when the f.o.b. price of coffee ranges from 33 to 50 cents a pound and an additional tax amounting to 25 percent of any excess over 50 cents per pound. The funds collected will be used to complete construction on the Rama Road linking Nicaragua's Atlantic and Pacific coasts and to finance secondary road construction in coffee producing areas.

BELGIAN CONGO'S CACAO PRODUCTION EXPANDING

The Belgian Congo's cacao production is expected to increase from a little over 5 million pounds of cacao beans in 1950 to about 18 million pounds in 1960, if the present agricultural development program of the Belgian Colonial Administration is carried out, according to E.M. Harbordt, American Consulate General, Leopoldville. The success of the program is dependent in large measure on the maintenance of heavy world demand and remunerative prices for cacao beans.

Cacao production in the Belgian Congo has practically doubled in the last 10 years. Favorable prices and freedom from Swollen Shoot and other serious diseases affecting cacao have encouraged large-scale new plantings by white plantation owners in recent years. The area in cacao trees is estimated currently at around 50,000 acres. About 60 percent of the trees were planted during the past several years and have not yet reached bearing age.

Practically all of the Belgian Congo's cacao output is produced on large plantations under white management at the present time, but the Colonial Administration plans to encourage the natives to cultivate cacao on small-scale cooperative plantations. There is a considerable amount of land in the Congo Basin suitable for cacao cultivation. Nearly all of the cacao produced in the Belgian Congo is exported to Belgium.

FRUITS, VEGETABLES AND NUTS

CITRUS FRUIT SITUATION IN MEXICO

Mexican production of oranges in 1950 is estimated at 13,228,000 boxes, slightly above the 1949 crop, according to Ana M. Gomez, American Embassy, Mexico City. However, the outlook for the 1950-51 winter crop in Montemorelos, Mexico's leading producing region and the only one from which exports originate, is for a decrease of about 20 percent from the preceding season. The expected decline will be the result of prolonged drought. Shipments abroad, principally to Canada and the United States, started moving from Montemorelos early in October. Export prices thus far this season have been higher than in 1949-50 for navel oranges and approximately equal for the smooth skin varieties.

The first orange sterilization plant started operations in Mexico in January 1950, making it possible for Mexican oranges to be shipped to the United States market for the first time since the establishment of the Mexican fruitfly quarantine. Sterilization facilities at present in Mexico have a combined capacity for 5,600 boxes daily.

Lime production in 1950 is estimated at 1,709,000 boxes, 5 percent lower than in 1949. Exports during the first 11 months of 1950 amounted to 90,774 boxes, considerably above the 1949 movement. All lime exports from Mexico go to the United States.

The campaign against the citrus blackfly has succeeded in keeping the infestation from invading Montemorelos. In those areas where widespread infestation has already occurred, control through spraying operations has proved difficult. The introduction of a new parasite, Prospatela smithiia, has given new hope for a successful biological control, but it is still too early to predict results.

LIVESTOCK AND ANIMAL PRODUCTS

REMAINING STOCKS OF JOINT ORGANIZATION WOOL TO BE SOLD

The United Kingdom Wool Disposal Ltd. has announced that the entire remaining stock of wool held by the Joint Organization amounting to approximately 171,000 bales, are programmed for sale during the remaining 5 months of the current season.

Most of the wool is in the United Kingdom and is made up of the following classes:

(see chart on following page)

1/ A more extensive statement will soon be issued as a Foreign Agriculture Circular obtainable by request from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

	Australian Bales	New Zealand Bales	Total Bales
Greasy Combing 58's & up	9,500	--	9,500
" " below 58's	5,300	23,600	28,900
" Clothing	30,700	--	30,700
Scoured, Scoured Skin & Carbonized	59,400	900	60,300
Slipe	--	9,700	9,700
Total.....	104,900	34,200	139,100

In addition to the above, about 27,000 bales of greasy clothing wool remain in Australia and about 5,000 bales of greasy crossbred in New Zealand. All South African wool held by the Organization has been sold.

SOUTH AFRICAN WOOL SHIPMENTS
TO U.S. RISE IN DECEMBER

South African wool destined for the United States has been declared at over 8 million pounds (actual weight) for the month of December. This is a rise from approximately 2 million pounds in November.

Shipments to the United States from South Africa amounted to only 4.5 million pounds in December 1949. However, the total for the current season is still below last year's total.

FINLAND'S DAIRY
SITUATION IMPROVES

Finland has made remarkable progress during the past several years in restoring its food supply and level of food consumption to prewar standards. The improvement 1/ in domestic production which occurred in 1948 and continued throughout 1949 and 1950 was particularly evident in the output of dairy products. The dairying gain can be traced largely to the culling of poor producing animals, more efficient production per animal and the greater availability of imported fodder concentrates. Milk and dairy products are important in the Finnish diet and their consumption has risen considerably as increased production made larger supplies available.

Milk production in 1950 is estimated at 14 percent above 1949, while butter output was up 12 percent, and cheese production was about 40 per cent higher than in 1949. Production of cheese was at a record level, with substantial surpluses available for export.

1/ On a 7 percent less tilled land.

Finland:-Production of Milk, Butter and Cheese in 1950, with comparisons.

Commodity	1936-39 Average	1948	1949	1950 1/
	Million Pounds	Million Pounds	Million Pounds	Million Pounds
Milk	5,761	3,968	4,630	5,291
Butter	121	67	77	86
Cheese	23	16	20	28

1/ Preliminary.

PHILIPPINE POULTRY INDUSTRY RECOVERS

Of all classes of livestock in the Philippines, poultry has made the fastest recovery since liberation. Overall poultry numbers in 1950 were 18 percent greater than in 1939. For the same years, chicken numbers were up 18 percent, duck numbers 10 percent, and geese numbers 15 percent. Only turkey numbers, which were down 30 percent, showed a decrease.

Table 1. Philippines: Poultry population by specified years. (Number)

Year 1/	Chickens	Ducks	Turkeys	Geese	Total
	1,000	1,000	1,000	1,000	1,000
1939	25,365	690	43	29	26,126
1945	7,166	329	19	19	7,535
1946	9,433	394	20	22	9,871
1947	15,080	573	23	28	15,705
1948	21,910	635	24	27	22,598
1949 2/	26,000	700	27	31	26,758
1950 2/	30,000	760	30	34	30,824

Source: Bureau of Census and Statistics
1/ As of December 31

2/ Based on preliminary projected estimates of the Bureau.

Private estimates indicate 1950 egg production at about 14 percent over 1949 and about 17 percent over 1939. On this basis it is apparent that the duck and chicken flocks have been more than fully restored to their prewar size.

Table 2. Philippines: Egg Production by specified years

	1939	1946	1947	1948	1949 1/	1950 1/
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Hen	645,000	240,000	400,000	605,000	652,000	740,000
Duck	30,000	18,000	25,000	40,000	43,000	50,000
TOTAL	675,000	258,000	425,000	645,000	695,000	790,000

Source: Bureau of Census and Statistics

1/ Unofficial estimates.

The great bulk of hen egg output in 1950 originated from backyard poultry flocks and probably was consumed at the farms. Duck egg production, however, came largely from the specialized duck farms in the Laguna de Bay region northeast of Manila. Nearly all of the specialized poultry farms in the Philippines are organized chiefly for egg production. Poultry meat raising as a specialized business is not practiced in the country.

CANADA REQUIRES PERMITS FOR THE IMPORTATION OF BUTTER

Through an order of January 24, 1951, effective immediately, the Canadian Government now issues permits for the importation of butter into the Dominion. This order is the result of the arrangement made by private Canadian butter dealers to purchase 4.5 million pounds of butter from New Zealand.

Import licenses probably will be issued only if there is an obvious need for butter to relieve temporary shortages. The Agricultural Prices Support Board will have control of any butter imported in to Canada and will be responsible for its distribution to areas where the demand is greatest. Butter imports are expected to be limited to the purchase from New Zealand already effected as the heavy butter production season in the Dominion will begin in April when butter should be available in sufficient quantities to meet domestic demand and also to provide quantities for storage for later consumption.

In 1948, Canada imported more than 14 million pounds of butter, in 1949, approximately 1 million pounds. Imports for the first 10 months of 1950 (the only figures available) amounted to about 5,000 pounds.

GRAINS, GRAIN PRODUCTS AND FEEDS

CANADA INCREASES INITIAL PRICES TO GRAIN GROWERS

Initial payments to Canadian growers for 1950-51 deliveries of western wheat, barley and oats were increased, effective February 1, 1951. The action was made possible by the level of prices received to date and by the present market outlook, according to the announcement of the increase made by the Minister of Trade and Commerce. The increase brings the initial payment for wheat to $1.60 per bushel (Canadian currency) for No. 1 Northern wheat, basis in store Fort William/Port Arthur or Vancouver. This is an increase of 20 cents per bushel over the $1.40 rate originally announced as the initial payment for 1950-51. The increased rates apply to all grades of grain delivered or to be delivered to the Board during the current crop year.

The new rate of $1.13 per bushel for No. 3 Canadian Western 6-row barley is also 20 cents per bushel above the originally announced payment. The initial price of oats is increased to 75 cents per bushel, an increase of 10 cents, basis No. 2 Canadian Western in store, Fort William/Port Arthur. Adjustment payments on barley and oats delivered to the Board between August 1, 1950 and January 31, 1951 are to be made as soon as complete reports of purchases made through January are available to the Board.

Adjustment payments on barley and oats should begin about March 1, according to a statement of the Minister. They would be followed by the payments for wheat. Estimates place the amount to be paid on deliveries prior to February at about $51 million for wheat, $12 million for barley and $6 million for oats, all in Canadian currency. In addition to those amounts, an increase of $28 million is expected to be paid for grain deliveries up to the end of the current crop year, July 31, bringing the total increase to about $100 million. An announcement of the final payment on the 1945-49 wheat pool is also expected soon.

ARGENTINA ISSUES WHEAT FORECAST

An official forecast of the wheat harvest just completed in Argentina places the outturn at about 220 million bushels. The forecast, based on conditions in November and released early in January, is the same as private forecasts in mid-December. (See Foreign Crops and Markets, January 15, 1950.

Currently, private estimates range from about 190 to 200 million bushels, taking account of unexpectedly heavy losses in some areas from rust damage and hail. Considerable abandonment is reported from those areas because of high costs for harvesting such fields. The current outlook is for a below-average crop as well as smaller than that of a year ago.

Progress of the corn crop is reported generally good except for some localized damage from drought and hail. If generally favorable conditions continue, a crop of about 160 million bushels may be harvested beginning in March. This would still be sharply below the prewar average, though much larger than last year's outturn, which is officially estimated at 33 million bushels. An outturn that size would be the smallest corn crop of record in Argentina.

The rye harvest is privately estimated at about 20 million bushels. This would be a near-record crop of that grain. Exceptionally good reports on yields and specific weights make a barley outturn of about 32 million bushels probable. This would be well above average and larger than the 1949-50 outturn. The crop of oats is still placed at about 55 million bushels by private sources, compared with the 1935-39 average of 50 million bushels.

FATS AND OILS

(Continued from Page 132)

BRAZIL'S OILSEED PRODUCTION IN 1951 WILL EXCEED 1950

Brazil's production of edible oilseeds and oils in 1951 is expected to be up from 1950, judging from present indications, according to information available to the Office of Foreign Agricultural Relations. Cottonseed and peanut output is expected to be substantially greater than the volume produced last year.

Cottonseed production for all Brazil during the year ending June 30, 1951, is estimated tentatively at 667,000 short tons. Production in the last year is now estimated at about 605,000 tons, a substantial decrease from earlier estimates. The estimated 1951 figure above includes what is regarded as a rather conservative estimate of 440,000 tons for Central Brazil, including Sao Paulo. It is believed that with favorable conditions for the development of the crop in the next 4 to 5 months, output of cottonseed in Central Brazil could easily exceed 550,000 tons. On the other hand it is recognized that repitition of the heavy rains and insect attacks of last year might reduce the production to about 385,000 tons.

Peanut production in 1951 is expected to be much greater than output last year. A tentative estimate of total production for the year ending June 30, 1951, is about 176,000 tons. Sao Paulo oilseed crushers are looking forward to a very busy season, because this is about 15 percent greater than the 153,800 tons produced in 1950.

Harvest of the "wet-season" crop was drawing to a close as of mid-January. The "dry-crop" harvest takes place during the April-June period.

Production of soybeans in 1951 in Rio Grande do Sul is estimated by the trade at 920,000 to 1,100,000 bushels. This is somewhat greater than output last year which was about 880,000 bushels.

Inedible oilseed and oil production in Brazil also is expected to be greater in 1951 than in 1950.

Castor bean output is expected to be back to about 220,000 tons in 1951 after a harvest of only an estimated 143,300 tons last year. If the forecast is realized, production this year would be about the same as in 1949, but still appreciably less than the 254,793 tons produced in 1948. Production in Sao Paulo alone is expected to reach 60,500 tons, more than double that of 1950. And Northeastern Brazil's output, too, is expected to increase. Favorable prices for beans since mid-1950 are the principal reason for the anticipated comeback in production.

Oiticica seed output, from the gatherings which will begin in late January, is expected to total 38,500 tons. This would be equivalent to 12,100 to 13,200 tons of oil. The Consulate's estimate of production in 1950 has been revised downward to about 32,000 tons.

Output of babassu kernels in the current season (September to March) is expected to be about 82,500 tons. The fact that prices rose markedly in December is expected to have a stimulating effect on collections during the remainder of the season.

Authorization given by the Brazilian Government in recent months to include babassu and castor oils in barter transactions has been a boon to the crushing industry. Production of babassu oil in 1950 is believed to have exceeded 27,500 tons, and that of castor oil 33,000 tons. Production of these oils in 1949 was 23,623 and 24,460 tons, respectively.

Flaxseed production in Rio Grande do Sul, which was harvested in late 1950, is unofficially estimated at 1.2 million bushels against 1.4 million bushels in 1949. It is still too early to make any forecast regarding the 1951 crop, which will not be planted until June-July.

PARAGUAY'S OILSEED PRODUCTION MAY EXCEED EARLIER EXPECTATIONS

Vegetable oilseed production in Paraguay in 1951 may be larger than earlier estimates indicated if growing conditions continue to be conducive to increased production and if price incentives are sufficient, reports W.F. Lebus, American Embassy, Asuncion. Prices being paid for oilseeds are higher than last season. However, in view of the increased cost of production, many producers contend that returns from the sale of vegetable oils are inadequate to warrant increased production. Moreover, exporters often realize too small a return as a result of the Bank of Paraguay's policy of allowing a limited guarani reimbursement to the exporter for the foreign exchange accrued from sales abroad.

Approximately 27,800 short tons of cottonseed are estimated to be available for crushing and are expected to yield 3,000 tons of oil and 10,560 tons of cake. The established minimum price for cottonseed intended for pressing during 1951 will be 116 guaranies per metric ton ($34 per short ton) compared with 90 guaranies ($26) during 1950.

One of the principal developments in vegetable oil production in Paraguay has been the establishment of separate price structures of cottonseed oil and peanut oil. (See discussion of peanut and cottonseed oil prices in Foreign Crops and Markets, August 28, 1950, page 181.) Revised estimates resulting from the separate price structures indicate that the first peanut harvest (December and January) will amount to 900-1,100 tons. The second harvest will be considerably larger-- approximately 2,200 tons. The oil yield is expected to approach 800 tons against last year's production of 430 tons.

The guaranteed minimum price to the producer has been set at 600 guaranies per metric ton ($176 per short ton) against 350 and 400 guaranies ($103 and $117) for the first and second crops, respectively, in 1950. The general satisfaction expressed by peanut oil producers regarding the change in policy as concerns edible oils and the high price for peanuts may result in an oil output larger than the present estimate.

The exportation of edible oils from Paraguay is prohibited.

Unofficial sources estimate the oil yield from the 1950 production of tung nuts at 1,000 to 1,100 tons and the cake yield at about 2,000 tons. Producers expect the 1951 harvest to be almost double last year's because of (1) more favorable weather conditions and (2) the increasing demand for tung oil resulting from the virtual cessation of exports from China. Continued favorable weather and the added price impetus may result in an output of 2,000 tons of oil and 3,700 tons of cake.

The price paid producers for 1950 tung nuts was 850 guaranies per metric ton ($250 per short ton) and the established minimum export price for oil at the beginning of the year was $482 U.S. currency per metric ton ($437 per short ton), f.o.b., Buenos Aires, Argentina. Exporters are reimbursed in local currency at the rate of 7.99 guaranies per dollar (12.5 cents)--an increase from the previous rate of 6.02 guaranies (16.6 cents). Practically all the oil produced from the 1950 harvest has been sold at prices considerably in excess of the minimum.

Castor bean production in 1951 is estimated at 2,200-2,800 tons from which about 1,000-1,100 tons of oil will be extracted.

The prevailing price for castor beans is 900 to 1,000 guaranies per metric ton ($264 to $294 per short ton) against 650 guaranies ($191) paid in 1950. The minimum export price in January was $376 per metric ton ($341), f.o.b. Buenos Aires. Because of increased production costs producers and exporters feel that the return in local currency does not warrant expanded production.

The tonnage of palm fruit harvested from the millions of palm trees which grow in practically all parts of Paraguay and the quantity of palm oil produced, in general, are contingent upon the prices offered. Palm kernel oil production in 1951 is unofficially estimated at 3,860 tons, palm oil at 1,650 to 2,200 tons, and palm cake at 4,960 tons.

The price being paid in January for whole palm nuts was 0.10 guaranies per kilogram ($29 per short ton), for palm pulp, 0.30 guaranies ($88), and for cleaned palm nuts 2.00 guaranies ($587). A sizeable volume is expected to be available for export from the 1951 harvest.

CANADA'S MARGARINE PRODUCTION INCREASES SIZABLY SECOND YEAR

Canada's margarine production during 1950 amounted to 94,032,000 pounds, representing a 27 percent increase over the 73,958,000 pounds of 1949, the first year of production. Stocks as of January 1, 1951, were reported at 2,341,000 pounds compared with 2,773,000 a year earlier.

The manufacture and sale of margarine has been permitted in all Provinces of Canada except Quebec and Prince Edward Island since the Canadian Supreme Court's decision in December 1948, that the responsibility for regulating its sale and manufacture rests with the various Provinces themselves. (See Foreign Crops and Markets, October 10, 1950.)

MALAYAN PALM AND COPRA EXPORTS, JANUARY-SEPTEMBER 1950

The Federation of Malaya exported during the first 9 months of 1950 50,189 short tons of palm oil and 8,555 tons of palm kernels. Exports were higher by approximately 5 percent and 25 percent, respectively, from the 47,804 tons of palm oil and 6,844 of palm kernels exported during the comparable months of 1949.

The United Kingdom was consigned 48,694 tons or 97 percent of the total exports of palm oil. The Netherlands took 3,748 tons of palm kernels, representing 44 percent of the total, and Sweden, Western Germany, Denmark, and the United Kingdom received the balance.

Net exports of copra and coconut oil, in terms of copra, during January-September 1950 were 68,840 long tons, against 58,767 tons in the corresponding months of 1949. Gross exports of copra amounted to 98,855 tons, indicating an increase of 75 percent, while coconut oil exports of 39,375 tons were nearly 20 percent lower. Imports of 91,039 tons of copra and 930 tons of coconut oil in the first 9 months of 1950 were at a higher rate than during the previous year.

Copra shipments were made principally to European countries (95 percent) with Sweden, Denmark, the Netherlands, Western Germany and the United Kingdom taking the largest share. India was sent 11,079 tons of coconut oil.

ARGENTINA'S CURRENT OILSEED
AND OILSEED PRODUCTS SITUATION 1/

Argentina's surplus of flaxseed and linseed oil, considerably smaller than a year ago, is expected to be liquidated by the close of 1951, reports C.A. Boonstra, Agricultural Attache, American Embassy, Buenos Aires. Edible oils are expected to be in greater surplus supply in 1951 than last year. If sunflower seed and cotton yields are in line with the usual averages, there may be an exportable surplus of nearly 155,000 short tons of edible oils after mid-1951. This estimate includes consideration of peanut and rapeseed oil production, all of which will be consumed domestically.

Flaxseed production from the 1950 crop in Argentina now is estimated by the American Embassy at 24.6 million bushels, precisely the same as the Embassy estimate of the 1949 crop a year ago. This is sharply lower than the 30 million bushels estimated previously for 1950 (see Foreign Crops and Markets of January 15, 1951).

Stocks of flaxseed on January 1, 1951, did not exceed 5.7 million bushels, fully one-quarter less than the 7.9 million bushels on hand a year earlier. Disappearance in 1950 was greater than production because of the resumption of flaxseed exports and a continued high rate of domestic processing. Of the carry-in stocks this year crushers are believed to have held nearly 2 million bushels, with the balance divided between the Argentine Trade Promotion Institute (IAPI) and the exporters who had purchased from IAPI in advance of shipment.

Linseed oil stocks on January 1, 1951, were estimated at 220,000 short tons. This was one-third less than the 330,000 tons of a year earlier. The carry-over no longer is considered burdensome as it was a year ago, and there is no serious pressure now on storage space.

Exports of flaxseed in 1950 totaled about 5.2 million bushels and linseed oil about 237,000 tons, according to preliminary estimates. The largest since prewar years, these shipments were made possible by 2 changes in Argentine policy: (1) establishment of export prices at or below levels of competitive supplying countries; and (2) termination of the ban on flaxseed exports invoked in 1945 to compel the processing of all flaxseed in domestic plants.

Price of flaxseed for export, according to the most recent (as of mid-January) quotation by the IAPI, was 900 pesos per metric ton ($4.57 per bushel), f.o.b. Buenos Aires for payment in U.S. dollars. The price has been advanced steadily from 460 pesos ($2.34) in mid-1950.

1/ A more extensive statement will soon be available as a Foreign Agriculture Circular issued by the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C.

Export quotations on linseed oil in mid-January were 1.90 pesos per kilo (17.2 cents per pound) when sold for U.S. dollars, otherwise 2.00 pesos (18.1 cents). These prices had advanced in recent weeks. (See Foreign Crops and Markets of December 18, 1950-page 612.) Sales in mid-1950 were being made at 1.45 pesos (13.2 cents).

The market outlook for 1951 is good although export availabilities of flaxseed and linseed oil in 1951 will be no greater than the volume exported in 1950 when demand was strong only in the latter months. Perhaps 20 to 30 percent of the quantities available for export in 1951 already is sold or committed under trade agreements. Again the principal buying countries will be the United Kingdom, the Netherlands, Germany, and France. In addition substantial quantities may be exported to other European countries, Japan and Canada. With prospects bright for selling all of the current season's production plus remaining stocks from previous years, at prices near or above present levels, Argentina's stocks of flaxseed and linseed oil at the end of 1951 are likely to be very small.

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Argentina's production of sunflower seed in 1951 may be about 1,210,000 short tons, slightly more than the record volume of 1,200,000 tons in 1949. If the season continues favorable, output may go as high as 1,320,000 tons.

Stocks of sunflower seed oil are small, sufficient mainly for current domestic requirements. They will be negligible until April 1 when the new crushing year begins. The small crop of last year, officially estimated at 701,600 tons, was supplemented with a carry-in of about 110,000 tons at the beginning of 1950. This now has been exported.

The export price on sunflower seed oil, according to IAPI's most recent (as of mid-January) quotation, was 2.80 pesos per kilo (25.4 cents per pound) for U.S. dollars, f.o.b. Buenos Aires, and 2.90 pesos (26.3 cents) for other currencies. Crushers are paid a price of 1.78 pesos (16.1 cents) by IAPI.

The market outlook for sunflower seed oil is favorable, with indications that foreign demand this year will be stronger than last. If a sunflower seed harvest of 1,210,000 tons is realized, it would provide about 315,000 tons of oil. Of this, 176,000 tons would be required for domestic consumption, the remaining 139,000 tons would be for export.

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Production of other edible oils in Argentina--from peanuts, cottonseed, and rapeseed--could be about 353,000 short tons, if the related crop forecasts are realized. Export availabilities--in the crushing year beginning April 1--probably would total 154,000 tons, assuming close to 200,000 tons would be used domestically.

NOTE: See "LATE NEWS" on page 118 for statement concerning India's discontinuance of additional applications for peanut and peanut oil export licenses.

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Production of oilseed cakes and meals in Argentina in 1951 is expected to be somewhat larger than in 1950 if the sunflower seed and cottonseed crops come up to expectations. Production last year probably was about 992,000 tons. Almost half of this was sunflower seed cakes and meal, with linseed and cottonseed cakes next in importance. Stocks of oil cakes and meals are reported low at present. A year ago stocks totaled 550,000 tons. But exports in 1950 exceeded the production. Furthermore, the domestic demand was strong because of severe drought in pasture areas. Exports of oilseed cakes and meals in 1950 are believed to have totaled from 1,050,000 to 1,100,000 tons, considerably more than the exported volume in 1949. Principal takers were the United Kingdom, France, Holland, and Denmark.

The market outlook for 1951 is favorable for oilseed cakes and meals. Prices are strong and tending to move upward. Argentina's export availabilities, probably in the range of 770,000 to 880,000 tons, will be considerably smaller than last year.

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